



ANNUAL STATEMENT

For the Year Ended December 31, 2016
of the Condition and Affairs of the

Wellmark Health Plan of Iowa, Inc.

NAIC Group Code.....0770, 0770 (Current Period) (Prior Period)	NAIC Company Code..... 95531	Employer's ID Number..... 42-1455449
Organized under the Laws of IA	State of Domicile or Port of Entry IA	Country of Domicile US
Licensed as Business Type.....Health Maintenance Organization	Is HMO Federally Qualified? Yes [] No [X]	
Incorporated/Organized..... March 13, 1996	Commenced Business..... January 1, 1997	
Statutory Home Office	1331 Grand Avenue..... Des Moines IA US 50309-2901 (Street and Number) (City or Town, State, Country and Zip Code)	
Main Administrative Office	1331 Grand Avenue..... Des Moines IA US 50309-2901 (Street and Number) (City or Town, State, Country and Zip Code)	515-376-4500 (Area Code) (Telephone Number)
Mail Address	1331 Grand Avenue..... Des Moines IA US 50309-2901 (Street and Number or P. O. Box) (City or Town, State, Country and Zip Code)	
Primary Location of Books and Records	1331 Grand Avenue..... Des Moines IA US 50309-2901 (Street and Number) (City or Town, State, Country and Zip Code)	515-376-4500 (Area Code) (Telephone Number)
Internet Web Site Address	www.wellmark.com	
Statutory Statement Contact	Christa Daneen Kuennen (Name) kuennencd@wellmark.com (E-Mail Address)	515-376-4144 (Area Code) (Telephone Number) (Extension) 515-376-9054 (Fax Number)

OFFICERS

Name	Title	Name	Title
1. John Douglas Forsyth	President, CEO & Chairman	2. David Seth Brown	EVP, CFO & Treasurer
3. Michele Ann Druker	Secretary	4.	

OTHER

Michael James Crowley	Timothy Robert Gutshall M.D.
Cory Randall Harris	Laura Jean Jackson

DIRECTORS OR TRUSTEES

Ron Joseph Corbett	John Douglas Forsyth-Chairman	Douglas Dwight Laird	Therese Michele Vaughan
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State of..... Iowa
County of..... Polk

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC *Annual Statement Instructions and Accounting Practices and Procedures* manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) John Douglas Forsyth	(Signature) David Seth Brown	(Signature) Michele Ann Druker
1. (Printed Name)	2. (Printed Name)	3. (Printed Name)
President, CEO & Chairman	EVP, CFO & Treasurer	Secretary
(Title)	(Title)	(Title)

Subscribed and sworn to before me	a. Is this an original filing?	Yes [X] No []
This _____ day of _____ 2017	b. If no	
	1. State the amendment number	_____
	2. Date filed	_____
	3. Number of pages attached	_____

ASSETS

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1. Bonds (Schedule D).....	142,173,678		142,173,678	135,960,144
2. Stocks (Schedule D):				
2.1 Preferred stocks.....			.0	
2.2 Common stocks.....	39,785,611		39,785,611	37,609,524
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens.....			.0	
3.2 Other than first liens.....			.0	
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances).....			.0	
4.2 Properties held for the production of income (less \$.....0 encumbrances).....			.0	
4.3 Properties held for sale (less \$.....0 encumbrances).....			.0	
5. Cash (\$.....(11,428), Schedule E-Part 1), cash equivalents (\$.....123,240, Schedule E-Part 2) and short-term investments (\$.....3,091,454, Schedule DA).....	3,203,266		3,203,266	4,490,299
6. Contract loans (including \$.....0 premium notes).....			.0	
7. Derivatives (Schedule DB).....			.0	
8. Other invested assets (Schedule BA).....			.0	
9. Receivables for securities.....	2,697		2,697	1,433,704
10. Securities lending reinvested collateral assets (Schedule DL).....			.0	
11. Aggregate write-ins for invested assets.....	.0	.0	.0	.0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	185,165,252	.0	185,165,252	179,493,671
13. Title plants less \$.....0 charged off (for Title insurers only).....			.0	
14. Investment income due and accrued.....	1,436,284		1,436,284	1,526,857
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection.....	570,635	16,363	554,272	8,421,115
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums).....			.0	
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0).....			.0	48,339
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers.....	839,523	214,523	625,000	1,530,000
16.2 Funds held by or deposited with reinsured companies.....			.0	
16.3 Other amounts receivable under reinsurance contracts.....			.0	
17. Amounts receivable relating to uninsured plans.....	41,616,434	1,340,000	40,276,434	29,769,493
18.1 Current federal and foreign income tax recoverable and interest thereon.....			.0	578,791
18.2 Net deferred tax asset.....	481,000		481,000	1,654,000
19. Guaranty funds receivable or on deposit.....			.0	
20. Electronic data processing equipment and software.....			.0	
21. Furniture and equipment, including health care delivery assets (\$.....0).....			.0	
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			.0	
23. Receivables from parent, subsidiaries and affiliates.....			.0	
24. Health care (\$.....4,211,365) and other amounts receivable.....	5,251,414	1,040,049	4,211,365	4,587,858
25. Aggregate write-ins for other-than-invested assets.....	5,198,435	5,198,435	.0	.0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25).....	240,558,977	7,809,370	232,749,607	227,610,124
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			.0	
28. TOTAL (Lines 26 and 27).....	240,558,977	7,809,370	232,749,607	227,610,124

DETAILS OF WRITE-INS

1101. ....			.0	
1102. ....			.0	
1103. ....			.0	
1198. Summary of remaining write-ins for Line 11 from overflow page.....	.0	.0	.0	.0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	.0	.0	.0	.0
2501. Prepaid Expenses.....	5,198,435	5,198,435	.0	
2502. ....			.0	
2503. ....			.0	
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.0	.0	.0	.0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	5,198,435	5,198,435	.0	.0

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....122,000 reinsurance ceded).....	25,929,750		25,929,750	34,629,750
2. Accrued medical incentive pool and bonus amounts.....	7,988,000		7,988,000	3,380,000
3. Unpaid claims adjustment expenses.....			0	
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act.....	9,101,325		9,101,325	7,932,765
5. Aggregate life policy reserves.....			0	
6. Property/casualty unearned premium reserves.....			0	
7. Aggregate health claim reserves.....			0	
8. Premiums received in advance.....	12,065,782		12,065,782	11,416,694
9. General expenses due or accrued.....	2,956,575		2,956,575	3,300,084
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....426,000 on realized capital gains (losses)).....	4,853,138		4,853,138	
10.2 Net deferred tax liability.....			0	
11. Ceded reinsurance premiums payable.....			0	
12. Amounts withheld or retained for the account of others.....	555		555	
13. Remittances and items not allocated.....	317,663		317,663	281,802
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current).....			0	
15. Amounts due to parent, subsidiaries and affiliates.....	5,130,801		5,130,801	8,782,579
16. Derivatives.....			0	
17. Payable for securities.....			0	1,511,907
18. Payable for securities lending.....			0	
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers).....			0	
20. Reinsurance in unauthorized and certified (\$.....0) companies.....			0	
21. Net adjustments in assets and liabilities due to foreign exchange rates.....			0	
22. Liability for amounts held under uninsured plans.....	9,749,204		9,749,204	7,071,223
23. Aggregate write-ins for other liabilities (including \$.....525,032 current).....	1,015,033	0	1,015,033	1,140,001
24. Total liabilities (Lines 1 to 23).....	79,107,826	0	79,107,826	79,446,805
25. Aggregate write-ins for special surplus funds.....	XXX	XXX	0	6,500,000
26. Common capital stock.....	XXX	XXX	24,000,000	24,000,000
27. Preferred capital stock.....	XXX	XXX		
28. Gross paid in and contributed surplus.....	XXX	XXX		
29. Surplus notes.....	XXX	XXX		
30. Aggregate write-ins for other-than-special surplus funds.....	XXX	XXX	0	0
31. Unassigned funds (surplus).....	XXX	XXX	129,641,781	117,663,319
32. Less treasury stock at cost:				
32.1 .....0.000 shares common (value included in Line 26 \$.....0).....	XXX	XXX		
32.2 .....0.000 shares preferred (value included in Line 27 \$.....0).....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32).....	XXX	XXX	153,641,781	148,163,319
34. Total liabilities, capital and surplus (Lines 24 and 33).....	XXX	XXX	232,749,607	227,610,124

DETAILS OF WRITE-INS

2301. Health Assessments.....	1,015,001		1,015,001	1,140,001
2302. Flex Unearned Revenue.....	32		32	
2303.			0	
2398. Summary of remaining write-ins for Line 23 from overflow page.....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398) (Line 23 above).....	1,015,033	0	1,015,033	1,140,001
2501. Special Surplus for Health Insurer Fee.....	XXX	XXX		6,500,000
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page.....	XXX	XXX	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	XXX	XXX	0	6,500,000
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page.....	XXX	XXX	0	0
3099. Totals (Lines 3001 through 3003 plus 3098) (Line 30 above).....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member months.....	XXX.....	867,876.....	1,141,648.....
2. Net premium income (including \$.....0 non-health premium income).....	XXX.....	315,939,714.....	361,882,538.....
3. Change in unearned premium reserves and reserve for rate credits.....	XXX.....	31,440.....	(3,225,076).....
4. Fee-for-service (net of \$.....0 medical expenses).....	XXX.....	.....	.....
5. Risk revenue.....	XXX.....	.....	.....
6. Aggregate write-ins for other health care related revenues.....	XXX.....	.....0.....	.....0.....
7. Aggregate write-ins for other non-health revenues.....	XXX.....	.....0.....	.....0.....
8. Total revenues (Lines 2 to 7).....	XXX.....	315,971,154.....	358,657,462.....
Hospital and Medical:			
9. Hospital/medical benefits.....	.....	157,891,307.....	193,913,605.....
10. Other professional services.....	.....	24,384,538.....	33,281,731.....
11. Outside referrals.....	.....	5,817,567.....	10,721,767.....
12. Emergency room and out-of-area.....	.....	7,983,414.....	12,630,687.....
13. Prescription drugs.....	.....	46,048,616.....	62,302,921.....
14. Aggregate write-ins for other hospital and medical.....	.....0.....	.....0.....	.....0.....
15. Incentive pool, withhold adjustments and bonus amounts.....	.....	8,223,329.....	2,674,505.....
16. Subtotal (Lines 9 to 15).....	.....0.....	250,348,771.....	315,525,216.....
Less:			
17. Net reinsurance recoveries.....	.....	830,170.....	2,362,563.....
18. Total hospital and medical (Lines 16 minus 17).....	.....0.....	249,518,601.....	313,162,653.....
19. Non-health claims (net).....	.....	.....	.....
20. Claims adjustment expenses, including \$.....3,942,396 cost containment expenses.....	.....	11,433,141.....	12,313,918.....
21. General administrative expenses.....	.....	53,882,379.....	47,317,746.....
22. Increase in reserves for life and accident and health contracts including \$.....0 increase in reserves for life only).....	.....	(2,600,000).....	2,600,000.....
23. Total underwriting deductions (Lines 18 through 22).....	.....0.....	312,234,121.....	375,394,317.....
24. Net underwriting gain or (loss) (Lines 8 minus 23).....	XXX.....	3,737,033.....	(16,736,855).....
25. Net investment income earned (Exhibit of Net Investment Income, Line 17).....	.....	5,411,393.....	5,572,527.....
26. Net realized capital gains or (losses) less capital gains tax of \$.....426,000.....	.....	744,688.....	926,543.....
27. Net investment gains or (losses) (Lines 25 plus 26).....	.....0.....	6,156,081.....	6,499,070.....
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....54,177) (amount charged off \$.....38,246)].....	.....	15,931.....	(213,524).....
29. Aggregate write-ins for other income or expenses.....	.....0.....	.....0.....	.....0.....
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29).....	XXX.....	9,909,045.....	(10,451,309).....
31. Federal and foreign income taxes incurred.....	XXX.....	4,427,000.....	(1,066,000).....
32. Net income (loss) (Lines 30 minus 31).....	XXX.....	5,482,045.....	(9,385,309).....

DETAILS OF WRITE-INS			
0601.	XXX.....	.....	.....
0602.	XXX.....	.....	.....
0603.	XXX.....	.....	.....
0698. Summary of remaining write-ins for Line 6 from overflow page.....	XXX.....	.....0.....	.....0.....
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	XXX.....	.....0.....	.....0.....
0701.	XXX.....	.....	.....
0702.	XXX.....	.....	.....
0703.	XXX.....	.....	.....
0798. Summary of remaining write-ins for Line 7 from overflow page.....	XXX.....	.....0.....	.....0.....
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above).....	XXX.....	.....0.....	.....0.....
1401. ....	.....	.....	.....
1402. ....	.....	.....	.....
1403. ....	.....	.....	.....
1498. Summary of remaining write-ins for Line 14 from overflow page.....	.....0.....	.....0.....	.....0.....
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above).....	.....0.....	.....0.....	.....0.....
2901. ....	.....	.....	.....
2902. ....	.....	.....	.....
2903. ....	.....	.....	.....
2998. Summary of remaining write-ins for Line 29 from overflow page.....	.....0.....	.....0.....	.....0.....
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above).....	.....0.....	.....0.....	.....0.....

STATEMENT OF REVENUE AND EXPENSES (Continued)

CAPITAL AND SURPLUS ACCOUNT	1 Current Year	2 Prior Year
33. Capital and surplus prior reporting period.....	.....148,163,319	.....159,317,952
34. Net income or (loss) from Line 32.....	.....5,482,045	.....(9,385,309)
35. Change in valuation basis of aggregate policy and claim reserves.....	.....	.....
36. Change in net unrealized capital gains and (losses) less capital gains tax of \$842,000.....	.....1,712,667	.....(1,627,804)
37. Change in net unrealized foreign exchange capital gain or (loss).....	.....(146,728)	.....(503,569)
38. Change in net deferred income tax.....	.....(331,000)	.....1,070,000
39. Change in nonadmitted assets.....	.....(1,238,522)	.....(707,951)
40. Change in unauthorized and certified reinsurance.....	.....	.....
41. Change in treasury stock.....	.....	.....
42. Change in surplus notes.....	.....	.....
43. Cumulative effect of changes in accounting principles.....	.....	.....
44. Capital changes:		
44.1 Paid in.....	.....	.....
44.2 Transferred from surplus (Stock Dividend).....	.....	.....
44.3 Transferred to surplus.....	.....	.....
45. Surplus adjustments:		
45.1 Paid in.....	.....	.....
45.2 Transferred to capital (Stock Dividend).....	.....	.....
45.3 Transferred from capital.....	.....	.....
46. Dividends to stockholders.....	.....	.....
47. Aggregate write-ins for gains or (losses) in surplus.....	.....0	.....0
48. Net change in capital and surplus (Lines 34 to 47).....	.....5,478,462	.....(11,154,633)
49. Capital and surplus end of reporting period (Line 33 plus 48).....	.....153,641,781	.....148,163,319

DETAILS OF WRITE-INS		
4701. ....	.....	.....
4702. ....	.....	.....
4703. ....	.....	.....
4798. Summary of remaining write-ins for Line 47 from overflow page.....	.....0	.....0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above).....	.....0	.....0

CASH FLOW

		1	2
		Current Year	Prior Year
CASH FROM OPERATIONS			
1.	Premiums collected net of reinsurance.....	328,305,736	356,479,868
2.	Net investment income.....	6,761,375	7,244,455
3.	Miscellaneous income.....		
4.	Total (Lines 1 through 3).....	335,067,111	363,724,323
5.	Benefit and loss related payments.....	253,358,001	311,330,415
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		
7.	Commissions, expenses paid and aggregate write-ins for deductions.....	74,800,022	59,841,489
8.	Dividends paid to policyholders.....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....426,000 tax on capital gains (losses).....	(578,929)	7,915,904
10.	Total (Lines 5 through 9).....	327,579,094	379,087,808
11.	Net cash from operations (Line 4 minus Line 10).....	7,488,017	(15,363,485)
CASH FROM INVESTMENTS			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds.....	34,437,895	50,598,557
12.2	Stocks.....	17,856,943	16,555,076
12.3	Mortgage loans.....		
12.4	Real estate.....		
12.5	Other invested assets.....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments.....	472	
12.7	Miscellaneous proceeds.....	1,431,007	1,511,907
12.8	Total investment proceeds (Lines 12.1 to 12.7).....	53,726,317	68,665,540
13.	Cost of investments acquired (long-term only):		
13.1	Bonds.....	41,273,613	46,545,393
13.2	Stocks.....	17,090,802	15,649,752
13.3	Mortgage loans.....		
13.4	Real estate.....		
13.5	Other invested assets.....		
13.6	Miscellaneous applications.....	1,513,243	1,435,401
13.7	Total investments acquired (Lines 13.1 to 13.6).....	59,877,658	63,630,546
14.	Net increase (decrease) in contract loans and premium notes.....		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 minus Line 14).....	(6,151,341)	5,034,994
CASH FROM FINANCING AND MISCELLANEOUS SOURCES			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes.....		
16.2	Capital and paid in surplus, less treasury stock.....		
16.3	Borrowed funds.....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities.....		
16.5	Dividends to stockholders.....		
16.6	Other cash provided (applied).....	(2,623,709)	10,535,279
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6).....	(2,623,709)	10,535,279
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17).....	(1,287,033)	206,788
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year.....	4,490,299	4,283,511
19.2	End of year (Line 18 plus Line 19.1).....	3,203,266	4,490,299

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001		
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UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1.	Comprehensive (hospital and medical).....	316,083,689		143,975	315,939,714
2.	Medicare supplement.....				.0
3.	Dental only.....				.0
4.	Vision only.....				.0
5.	Federal employees health benefits plan.....				.0
6.	Title XVIII - Medicare.....				.0
7.	Title XIX - Medicaid.....				.0
8.	Other health.....				.0
9.	Health subtotal (Lines 1 through 8).....	316,083,689	0	143,975	315,939,714
10.	Life.....				.0
11.	Property/casualty.....				.0
12.	Totals (Lines 9 to 11).....	316,083,689	0	143,975	315,939,714

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct.....	251,491,319	260,731,319							(9,240,000)	
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	1,748,647	1,748,647								
1.4 Net.....	249,742,672	258,982,672	0	0	0	0	0	0	(9,240,000)	0
2. Paid medical incentive pools and bonuses.....	3,615,329	3,615,329								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct.....	26,051,750	26,051,750								
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	122,000	122,000								
3.4 Net.....	25,929,750	25,929,750	0	0	0	0	0	0	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct.....	0									
4.2 Reinsurance assumed.....	0									
4.3 Reinsurance ceded.....	0									
4.4 Net.....	0	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year.....	7,988,000	7,988,000								
6. Net healthcare receivables (a).....	437,877	437,877								
7. Amounts recoverable from reinsurers December 31, current year.....	839,523	839,523								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct.....	34,979,750	34,979,750								
8.2 Reinsurance assumed.....	0									
8.3 Reinsurance ceded.....	350,000	350,000								
8.4 Net.....	34,629,750	34,629,750	0	0	0	0	0	0	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct.....	0									
9.2 Reinsurance assumed.....	0									
9.3 Reinsurance ceded.....	0									
9.4 Net.....	0	0	0	0	0	0	0	0	0	0
10. Accrued medical incentive pools and bonuses, prior year.....	3,380,000	3,380,000								
11. Amounts recoverable from reinsurers December 31, prior year.....	1,530,000	1,530,000								
12. Incurred benefits:										
12.1 Direct.....	242,125,442	251,365,442	0	0	0	0	0	0	(9,240,000)	0
12.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded.....	830,170	830,170	0	0	0	0	0	0	0	0
12.4 Net.....	241,295,272	250,535,272	0	0	0	0	0	0	(9,240,000)	0
13. Incurred medical incentive pools and bonuses.....	8,223,329	8,223,329	0	0	0	0	0	0	0	0

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Medical and Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in process of adjustment:										
1.1 Direct.....	7,638,115	7,638,115								
1.2 Reinsurance assumed.....	0									
1.3 Reinsurance ceded.....	35,769	35,769								
1.4 Net.....	7,602,346	7,602,346	0	0	0	0	0	0	0	0
2. Incurred but unreported:										
2.1 Direct.....	18,413,635	18,413,635								
2.2 Reinsurance assumed.....	0									
2.3 Reinsurance ceded.....	86,231	86,231								
2.4 Net.....	18,327,404	18,327,404	0	0	0	0	0	0	0	0
3. Amounts withheld from paid claims and capitations:										
3.1 Direct.....	0									
3.2 Reinsurance assumed.....	0									
3.3 Reinsurance ceded.....	0									
3.4 Net.....	0	0	0	0	0	0	0	0	0	0
4. Totals:										
4.1 Direct.....	26,051,750	26,051,750	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed.....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded.....	122,000	122,000	0	0	0	0	0	0	0	0
4.4 Net.....	25,929,750	25,929,750	0	0	0	0	0	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical).....	28,946,377	230,726,772	312,790	25,616,960	29,259,167	34,629,750
2. Medicare supplement.....					0	
3. Dental only.....					0	
4. Vision only.....					0	
5. Federal employees health benefits plan.....					0	
6. Title XVIII - Medicare.....					0	
7. Title XIX - Medicaid.....					0	
8. Other health.....		(9,240,000)			0	
9. Health subtotal (Lines 1 to 8).....	28,946,377	221,486,772	312,790	25,616,960	29,259,167	34,629,750
10. Healthcare receivables (a).....	161,227	5,077,394		12,793	161,227	4,813,537
11. Other non-health.....					0	
12. Medical incentive pools and bonus amounts.....	3,615,329			7,988,000	3,615,329	3,380,000
13. Totals (Lines 9 - 10 + 11 + 12).....	32,400,479	216,409,378	312,790	33,592,167	32,713,269	33,196,213

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	25,401	25,186	25,186	25,186	25,397
2. 2012.....	243,639	270,009	269,977	269,977	269,977
3. 2013.....	XXX	257,229	283,047	282,983	282,983
4. 2014.....	XXX	XXX	251,967	279,761	279,355
5. 2015.....	XXX	XXX	XXX	282,370	315,338
6. 2016.....	XXX	XXX	XXX	XXX	221,487

SECTION B - INCURRED HEALTH CLAIMS - GRAND TOTAL

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	25,768	25,397	25,397	25,397	25,397
2. 2012.....	277,691	270,318	270,223	269,977	269,977
3. 2013.....	XXX	289,419	283,261	282,983	282,983
4. 2014.....	XXX	XXX	283,452	279,981	279,355
5. 2015.....	XXX	XXX	XXX	320,160	315,651
6. 2016.....	XXX	XXX	XXX	XXX	255,092

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - GRAND TOTAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expense	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	335,700	269,977	7,375	2.7	277,352	82.6			277,352	82.6
2. 2013.....	338,005	282,983	6,927	2.4	289,910	85.8			289,910	85.8
3. 2014.....	342,354	279,355	7,398	2.6	286,753	83.8			286,753	83.8
4. 2015.....	358,657	315,338	8,972	2.8	324,310	90.4	313		324,623	90.5
5. 2016.....	315,971	221,487	6,262	2.8	227,749	72.1	33,605		261,354	82.7

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - HOSPITAL AND MEDICAL

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	.....25,401	.....25,186	.....25,186	.....25,186	.....25,397
2. 2012.....	.....243,639	.....270,009	.....269,977	.....269,977	.....269,977
3. 2013.....	.....XXX	.....248,448	.....274,266	.....274,202	.....274,202
4. 2014.....	.....XXX	.....XXX	.....249,327	.....277,121	.....276,715
5. 2015.....	.....XXX	.....XXX	.....XXX	.....273,970	.....306,938
6. 2016.....	.....XXX	.....XXX	.....XXX	.....XXX	.....230,727

SECTION B - INCURRED HEALTH CLAIMS - HOSPITAL AND MEDICAL

12.HM

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....	.....25,768	.....25,397	.....25,397	.....25,397	.....25,397
2. 2012.....	.....277,691	.....270,318	.....270,223	.....269,977	.....269,977
3. 2013.....	.....XXX	.....280,638	.....274,480	.....274,202	.....274,202
4. 2014.....	.....XXX	.....XXX	.....280,812	.....277,341	.....276,715
5. 2015.....	.....XXX	.....XXX	.....XXX	.....311,760	.....307,251
6. 2016.....	.....XXX	.....XXX	.....XXX	.....XXX	.....264,332

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - HOSPITAL AND MEDICAL

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....	.....335,700	.....269,977	.....7,375	.....2.7	.....277,352	.....82.6			.....277,352	.....82.6
2. 2013.....	.....338,005	.....274,202	.....6,927	.....2.5	.....281,129	.....83.2			.....281,129	.....83.2
3. 2014.....	.....342,354	.....276,715	.....7,398	.....2.7	.....284,113	.....83.0			.....284,113	.....83.0
4. 2015.....	.....358,657	.....306,938	.....8,972	.....2.9	.....315,910	.....88.1	.....313		.....316,223	.....88.2
5. 2016.....	.....315,971	.....230,727	.....6,262	.....2.7	.....236,989	.....75.0	.....33,605		.....270,594	.....85.6

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Paid Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development of Incurred Health Claims
NONE

Underwriting and Investment Ex. - Pt. 2C - Development Ratio Incurred Year Health Claims
NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS

(000 Omitted)

SECTION A - PAID HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....					
2. 2012.....					
3. 2013.....	XXX	8,781	8,781	8,781	8,781
4. 2014.....	XXX	XXX	2,640	2,640	2,640
5. 2015.....	XXX	XXX	XXX	8,400	8,400
6. 2016.....	XXX	XXX	XXX	XXX	(9,240)

SECTION B - INCURRED HEALTH CLAIMS - OTHER

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior.....					
2. 2012.....					
3. 2013.....	XXX	8,781	8,781	8,781	8,781
4. 2014.....	XXX	XXX	2,640	2,640	2,640
5. 2015.....	XXX	XXX	XXX	8,400	8,400
6. 2016.....	XXX	XXX	XXX	XXX	(9,240)

SECTION C - INCURRED YEAR HEALTH CLAIM AND CLAIM ADJUSTMENT EXPENSE RATIO - OTHER

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claim Payments	3 Claim Adjustment Expense Payments	4 Percent (Col. 3/2)	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 Percent (Col. 5/1)	7 Claims Unpaid	8 Unpaid Claim Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 Percent (Col. 9/1)
1. 2012.....				0.0	0	0.0			0	0.0
2. 2013.....		8,781		0.0	8,781	0.0			8,781	0.0
3. 2014.....		2,640		0.0	2,640	0.0			2,640	0.0
4. 2015.....		8,400		0.0	8,400	0.0			8,400	0.0
5. 2016.....		(9,240)		0.0	(9,240)	0.0			(9,240)	0.0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital and Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves.....	1,325	1,325							
2. Additional policy reserves (a).....	0								
3. Reserve for future contingent benefits.....	0								
4. Reserve for rate credits or experience rating refunds (including \$.....0) for investment income.....	0								
5. Aggregate write-ins for other policy reserves.....	9,100,000	9,100,000	0	0	0	0	0	0	0
6. Totals (gross).....	9,101,325	9,101,325	0	0	0	0	0	0	0
7. Reinsurance ceded.....	0								
8. Totals (net) (Page 3, Line 4).....	9,101,325	9,101,325	0	0	0	0	0	0	0
9. Present value of amounts not yet due on claims.....	0								
10. Reserve for future contingent benefits.....	0								
11. Aggregate write-ins for other claim reserves.....	0	0	0	0	0	0	0	0	0
12. Totals (gross).....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded.....	0								
14. Totals (net) (Page 3, Line 7).....	0	0	0	0	0	0	0	0	0

DETAILS OF WRITE-INS

0501. ACA Risk Adjustment.....	9,100,000	9,100,000							
0502.	0								
0503.	0								
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 through 0503 plus 0598) (Line 5 above).....	9,100,000	9,100,000	0	0	0	0	0	0	0
1101.	0								
1102.	0								
1103.	0								
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0	0	0	0	0	0	0

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3 General Administrative Expenses	4 Investment Expenses	5 Total
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses			
1. Rent (\$.....0 for occupancy of own building).....	.....40,310	.....156,551	.....399,254	.....	.....596,115
2. Salaries, wages and other benefits.....	.....3,221,249	.....7,548,030	.....25,706,376	.....	.....36,475,655
3. Commissions (less \$.....0 ceded plus \$.....0 assumed).....	.....	.....	.....13,102,169	.....	.....13,102,169
4. Legal fees and expenses.....	.....	.....	.....280,561	.....	.....280,561
5. Certifications and accreditation fees.....	.....	.....	.....	.....	.....0
6. Auditing, actuarial and other consulting services.....	.....8,014	.....366	.....603,751	.....	.....612,131
7. Traveling expenses.....	.....13,775	.....14,101	.....360,658	.....	.....388,534
8. Marketing and advertising.....	.....30,325	.....2	.....782,045	.....	.....812,372
9. Postage, express and telephone.....	.....171,815	.....1,204,606	.....782,547	.....	.....2,158,968
10. Printing and office supplies.....	.....189,846	.....19,514	.....787,464	.....	.....996,824
11. Occupancy, depreciation and amortization.....	.....136,276	.....424,603	.....1,224,163	.....	.....1,785,042
12. Equipment.....	.....4,159	.....44,907	.....76,456	.....	.....125,522
13. Cost or depreciation of EDP equipment and software.....	.....427,054	.....722,345	.....5,776,772	.....	.....6,926,171
14. Outsourced services including EDP, claims, and other services.....	.....2,617,274	.....4,967,365	.....15,645,181	.....	.....23,229,820
15. Boards, bureaus and association fees.....	.....1,174	.....886	.....719,568	.....	.....721,628
16. Insurance, except on real estate.....	.....22,054	.....63,413	.....180,211	.....	.....265,678
17. Collection and bank service charges.....	.....	.....140	.....	.....	.....140
18. Group service and administration fees.....	.....426,625	.....284,417	.....	.....	.....711,042
19. Reimbursements by uninsured plans.....	.....(4,173,520)	.....(8,965,413)	.....(25,504,988)	.....	.....(38,643,921)
20. Reimbursements from fiscal intermediaries.....	.....	.....	.....	.....	.....0
21. Real estate expenses.....	.....8,960	.....24,221	.....86,969	.....	.....120,150
22. Real estate taxes.....	.....87,865	.....225,621	.....835,298	.....	.....1,148,784
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes.....	.....	.....	.....	.....	.....0
23.2 State premium taxes.....	.....	.....	.....2,374,449	.....	.....2,374,449
23.3 Regulatory authority licenses and fees.....	.....	.....	.....60,385	.....	.....60,385
23.4 Payroll taxes.....	.....168,037	.....394,334	.....1,219,617	.....	.....1,781,988
23.5 Other (excluding federal income and real estate taxes).....	.....	.....	.....8,309,764	.....	.....8,309,764
24. Investment expenses not included elsewhere.....	.....	.....	.....	.....368,617	.....368,617
25. Aggregate write-ins for expenses.....	.....541,104	.....360,736	.....73,709	.....0	.....975,549
26. Total expenses incurred (Lines 1 to 25).....	.....3,942,396	.....7,490,745	.....53,882,379	.....368,617	(a).....65,684,137
27. Less expenses unpaid December 31, current year.....	.....	.....	.....2,956,575	.....	.....2,956,575
28. Add expenses unpaid December 31, prior year.....	.....	.....	.....3,300,084	.....	.....3,300,084
29. Amounts receivable relating to uninsured plans, prior year.....	.....	.....	.....29,781,530	.....	.....29,781,530
30. Amounts receivable relating to uninsured plans, current year.....	.....	.....	.....41,616,434	.....	.....41,616,434
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30).....	.....3,942,396	.....7,490,745	.....66,060,792	.....368,617	.....77,862,550

DETAILS OF WRITE-INS

2501. Miscellaneous Expenses and Reimbursements.....	.....49	.....33	.....73,709	.....	.....73,791
2502. Blue Card Home Access Fees.....	.....541,055	.....360,703	.....	.....	.....901,758
2503. ....	.....	.....	.....	.....	.....0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	.....0	.....0	.....0	.....0	.....0
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above).....	.....541,104	.....360,736	.....73,709	.....0	.....975,549

(a) Includes management fees of \$.....78,585,337 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

	1 Collected During Year	2 Earned During Year
1. U.S. government bonds.....	(a).....142,477	.....153,322
1.1 Bonds exempt from U.S. tax.....	(a).....	.....
1.2 Other bonds (unaffiliated).....	(a).....4,272,154	.....4,172,500
1.3 Bonds of affiliates.....	(a).....	.....
2.1 Preferred stocks (unaffiliated).....	(b).....	.....
2.11 Preferred stocks of affiliates.....	(b).....	.....
2.2 Common stocks (unaffiliated).....	.....1,366,091	.....1,365,006
2.21 Common stocks of affiliates.....	.....	.....
3. Mortgage loans.....	(c).....	.....
4. Real estate.....	(d).....	.....
5. Contract loans.....	.....	.....
6. Cash, cash equivalents and short-term investments.....	(e).....11,165	.....11,165
7. Derivative instruments.....	(f).....	.....
8. Other invested assets.....	.....	.....
9. Aggregate write-ins for investment income.....	.....103,526	.....103,526
10. Total gross investment income.....	.....5,895,413	.....5,805,519
11. Investment expenses.....	.....	(g).....368,617
12. Investment taxes, licenses and fees, excluding federal income taxes.....	.....	(g).....
13. Interest expense.....	.....	(h).....25,509
14. Depreciation on real estate and other invested assets.....	.....	(i).....0
15. Aggregate write-ins for deductions from investment income.....	.....	.....0
16. Total deductions (Lines 11 through 15).....	.....	.....394,126
17. Net investment income (Line 10 minus Line 16).....	.....	.....5,411,393

DETAILS OF WRITE-INS

0901. Miscellaneous Interest Income.....	.....103,526	.....103,526
0902. ....	.....	.....
0903. ....	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page.....	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....103,526	.....103,526
1501. ....	.....	.....
1502. ....	.....	.....
1503. ....	.....	.....
1598. Summary of remaining write-ins for Line 15 from overflow page.....	.....	.....0
1599. Totals (Lines 1501 through 1503 plus 1598) (Line 15 above).....	.....	.....0

- (a) Includes \$.....46,502 accrual of discount less \$.....1,305,911 amortization of premium and less \$.....158,909 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. government bonds.....	.....(20,879)	.....	.....(20,879)	.....30,143	.....
1.1 Bonds exempt from U.S. tax.....	.....	.....	.....0	.....	.....
1.2 Other bonds (unaffiliated).....	.....220,057	.....	.....220,057	.....407,908	.....
1.3 Bonds of affiliates.....	.....	.....	.....0	.....	.....
2.1 Preferred stocks (unaffiliated).....	.....	.....	.....0	.....	.....
2.11 Preferred stocks of affiliates.....	.....	.....	.....0	.....	.....
2.2 Common stocks (unaffiliated).....	.....1,325,800	.....(353,431)	.....972,369	.....2,116,616	.....(146,723)
2.21 Common stocks of affiliates.....	.....	.....	.....0	.....	.....
3. Mortgage loans.....	.....	.....	.....0	.....	.....
4. Real estate.....	.....	.....	.....0	.....	.....
5. Contract loans.....	.....	.....	.....0	.....	.....
6. Cash, cash equivalents and short-term investments.....	.....472	.....	.....472	.....	.....
7. Derivative instruments.....	.....	.....	.....0	.....	.....
8. Other invested assets.....	.....	.....	.....0	.....	.....
9. Aggregate write-ins for capital gains (losses).....	.....0	.....(1,331)	.....(1,331)	.....0	.....0
10. Total capital gains (losses).....	.....1,525,450	.....(354,762)	.....1,170,688	.....2,554,667	.....(146,723)

DETAILS OF WRITE-INS

0901. Foreign Contract Gain/(Loss).....	.....	.....(1,331)	.....(1,331)	.....	.....
0902. ....	.....	.....	.....0	.....	.....
0903. ....	.....	.....	.....0	.....	.....
0998. Summary of remaining write-ins for Line 9 from overflow page...	.....0	.....0	.....0	.....0	.....0
0999. Totals (Lines 0901 through 0903 plus 0998) (Line 9 above).....	.....0	.....(1,331)	.....(1,331)	.....0	.....0

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D).....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks.....			0
2.2 Common stocks.....			0
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens.....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company.....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale.....			0
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA).....			0
6. Contract loans.....			0
7. Derivatives (Schedule DB).....			0
8. Other invested assets (Schedule BA).....			0
9. Receivables for securities.....			0
10. Securities lending reinvested collateral assets (Schedule DL).....			0
11. Aggregate write-ins for invested assets.....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11).....	0	0	0
13. Title plants (for Title insurers only).....			0
14. Investment income due and accrued.....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection.....	16,363	18,115	1,752
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due.....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination.....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers.....	214,523		(214,523)
16.2 Funds held by or deposited with reinsured companies.....			0
16.3 Other amounts receivable under reinsurance contracts.....			0
17. Amounts receivable relating to uninsured plans.....	1,340,000	12,036	(1,327,964)
18.1 Current federal and foreign income tax recoverable and interest thereon.....			0
18.2 Net deferred tax asset.....			0
19. Guaranty funds receivable or on deposit.....			0
20. Electronic data processing equipment and software.....			0
21. Furniture and equipment, including health care delivery assets.....			0
22. Net adjustment in assets and liabilities due to foreign exchange rates.....			0
23. Receivables from parent, subsidiaries and affiliates.....			0
24. Health care and other amounts receivable.....	1,040,049	226,039	(814,010)
25. Aggregate write-ins for other-than-invested assets.....	5,198,435	6,314,658	1,116,223
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 through 25).....	7,809,370	6,570,848	(1,238,522)
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts.....			0
28. TOTALS (Lines 26 and 27).....	7,809,370	6,570,848	(1,238,522)

DETAILS OF WRITE-INS

1101.			0
1102.			0
1103.			0
1198. Summary of remaining write-ins for Line 11 from overflow page.....	0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198) (Line 11 above).....	0	0	0
2501. Prepaid Expenses.....	5,198,435	6,314,658	1,116,223
2502.			0
2503.			0
2598. Summary of remaining write-ins for Line 25 from overflow page.....	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above).....	5,198,435	6,314,658	1,116,223

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health maintenance organizations.....	78,271	53,442	53,709	53,902	55,672	646,022
2. Provider service organizations.....						
3. Preferred provider organizations.....						
4. Point of service.....	17,915	18,311	18,348	18,748	18,762	221,854
5. Indemnity only.....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total.....	96,186	71,753	72,057	72,650	74,434	867,876

DETAILS OF WRITE-INS

0601.						
0602.						
0603.						
0698. Summary of remaining write-ins for Line 6 from overflow page.....	0	0	0	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above).....	0	0	0	0	0	0

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The financial statements of Wellmark Health Plan of Iowa, Inc. (the Company) have been prepared in conformity with the accounting practices prescribed by the National Association of Insurance Commissioners (NAIC) and the State of Iowa.

The NAIC *Accounting Practices and Procedures* manual has been adopted as a component of prescribed or permitted practices by the State of Iowa. The Commissioner of Insurance has the right to permit specific practices that deviate from prescribed practices. The Company has no permitted practices.

	SSAP #	F/S Page	F/S Line #	2016	2015
Net Income					
(1) Wellmark Health Plan of Iowa, Inc. state basis	XXX	XXX	XXX	\$ 5,482,045	\$ (9,385,309)
(2) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(3) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 5,482,045	\$ (9,385,309)
Surplus					
(5) Wellmark Health Plan of Iowa, Inc. state basis	XXX	XXX	XXX	\$ 153,641,781	\$ 148,163,319
(6) State Prescribed Practices that increase/(decrease) NAIC SAP				-	-
(7) State Permitted Practices that increase/(decrease) NAIC SAP				-	-
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 153,641,781	\$ 148,163,319

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums on fully insured accident and health plans are billed in advance of their respective coverage periods. Receivables and income for such premiums are recorded at the effective date of the coverage period. Premiums received in advance and any unearned portion of premiums are recorded on the balance sheets as premiums received in advance and unearned premiums and reported as income when earned.

Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred. Other costs, such as premium taxes and other underwriting expenses, are also charged to operations as incurred.

In addition, the Company uses the following accounting policies:

- (1) Short-term investments are stated at amortized cost, which approximates fair value.
- (2) Bonds are reported at cost adjusted for amortization of premiums and accretion of discounts using the effective interest method. When declines in the fair value of investments are considered to be other than temporary, the carrying values of the investments are reduced and a realized loss is recognized.
- (3) Common stocks are carried at market. When declines in the fair value of investments are considered to be other than temporary, the carrying values of the investments are reduced and a realized loss is recognized.
- (4) Preferred Stocks – Not applicable.
- (5) Mortgage Loans – Not applicable.
- (6) Loan-backed securities are stated at amortized cost. The retrospective adjustment method is used to value all securities.
- (7) Investments in subsidiaries – Not applicable.
- (8) Joint ventures, partnerships, limited liability companies – Not applicable.
- (9) Derivatives – Not applicable.

NOTES TO FINANCIAL STATEMENTS

- (10) The Company anticipates investment income as a factor in the premium deficiency calculation, in accordance with Statement of Statutory Accounting Principles (SSAP) 54, Individual and Group Accident and Health Contracts.
- (11) The Company provides a liability for unpaid and unreported benefits which represents the estimated ultimate cost of benefits incurred through the balance sheet date. The liability is estimated on the basis of past experience and accumulated statistical data. Subsequent actual benefit experience may differ from the estimated liability due to variances in estimated and actual utilization of health care services, the amount of charges and other factors. These estimates are continuously reviewed and, as adjustments become necessary, such adjustments are reflected in current operations.
- (12) The Company has not modified its capitalization policy from the prior period.
- (13) The Company estimates pharmaceutical rebates utilizing past experience and accumulated statistical data. These estimates are continuously reviewed and any adjustments are reflected in current operations.

D. Going Concern

Management has evaluated the Company's ability to continue as a going concern and has concluded that there are no events or circumstances that raise any doubt about the Company's ability to continue as a going concern.

Note 2 - Accounting Changes and Corrections of Errors

Not applicable.

Note 3 - Business Combinations and Goodwill

Not applicable.

Note 4 - Discontinued Operations

Not applicable.

Note 5 - Investments

- A. Mortgage Loans, including Mezzanine Real Estate Loans – Not applicable.
- B. Debt Restructuring – Not applicable.
- C. Reverse Mortgages – Not applicable.
- D. Loan-Backed Securities
 - (1) Prepayment assumptions for loan-backed bonds and structured securities were obtained from broker dealer survey values or internal estimates.
 - (2) There are no loan-backed securities with a current year recognized other-than-temporary impairment.
 - (3) There are no loan-backed securities with a current year recognized other-than-temporary impairment.
 - (4) Impaired loan-backed securities, in the aggregate, for which an other-than-temporary impairment has not been recognized in earnings as a realized loss follows as of December 31, 2016:
 - a. The aggregate amount of unrealized losses:
 - 1. Less than 12 months \$ (234,021)
 - 2. 12 months or longer \$ (16,816)
 - b. The aggregate related fair value of securities with unrealized losses:
 - 1. Less than 12 months \$ 15,473,664
 - 2. 12 months or longer \$ 2,302,714
 - (5) The securities are in an unrealized loss position as a result of interest rate related changes in the market. Projected cash flows analyses for these securities are greater than amortized cost. The Company has the intent and ability to retain the securities for a period of time sufficient to recover the amortized cost basis.
- E. Repurchase Agreements and/or Securities Lending Transactions – Not applicable.
- F. Real Estate – Not applicable.

NOTES TO FINANCIAL STATEMENTS

- G.

Investments in Low-Income Housing Tax Credits – Not applicable.
- H.

Restricted Assets – Not applicable.
- I.

Working Capital Finance Investments – Not applicable.
- J.

Offsetting and Netting of Assets and Liabilities – Not applicable.
- K.

Structured Notes – Not applicable.
- L.

5* Securities – Not applicable.

Note 6 - Joint Ventures, Partnerships and Limited Liability Companies

Not applicable.

Note 7 - Investment Income

The Company had no amount of due and accrued income excluded from investment income.

Note 8 - Derivative Instruments

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 9 - Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.	12/31/2016			12/31/2015			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 4,657,000	\$ 182,000	\$ 4,839,000	\$ 5,011,000	\$ 165,000	\$ 5,176,000	\$ (354,000)	\$ 17,000	\$ (337,000)
(b) Statutory Valuation Allowance Adjustments	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	4,657,000	182,000	4,839,000	5,011,000	165,000	5,176,000	(354,000)	17,000	(337,000)
(d) Deferred Tax Assets Nonadmitted	-	-	-	-	-	-	-	-	-
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	4,657,000	182,000	4,839,000	5,011,000	165,000	5,176,000	(354,000)	17,000	(337,000)
(f) Deferred Tax Liabilities	8,000	4,350,000	4,358,000	14,000	3,508,000	3,522,000	(6,000)	842,000	836,000
(g) Net Admitted Deferred Tax Asset/(Net Deferred Tax Liability) (1e - 1f)	\$ 4,649,000	\$ (4,168,000)	\$ 481,000	\$ 4,997,000	\$ (3,343,000)	\$ 1,654,000	\$ (348,000)	\$ (825,000)	\$ (1,173,000)
2.	12/31/2016			12/31/2015			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
Admission Calculation Components SSAP No. 101									
(a) Federal Income Taxes Paid in Prior Years Recoverable Through Loss Carrybacks	\$ 3,934,000	\$ 95,000	\$ 4,029,000	\$ 3,527,000	\$ 58,000	\$ 3,585,000	\$ 407,000	\$ 37,000	\$ 444,000
(b) Adjusted Gross Deferred Tax Assets Expected to be Realized (Excluding the Amount of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	336,000	-	336,000	1,009,000	29,000	1,038,000	(673,000)	(29,000)	(702,000)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date	336,000	-	336,000	1,009,000	29,000	1,038,000	(673,000)	(29,000)	(702,000)
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold	XXX	XXX	22,974,000	XXX	XXX	21,976,000	XXX	XXX	998,000
(c) Adjusted Gross Deferred Tax Assets (Excluding the Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	388,000	86,000	474,000	475,000	78,000	553,000	(87,000)	8,000	(79,000)
(d) Deferred Tax Assets Admitted as the Result of Application of SSAP No. 101. Total (2(a)+2(b)+2(c))	\$ 4,658,000	\$ 181,000	\$ 4,839,000	\$ 5,011,000	\$ 165,000	\$ 5,176,000	\$ (353,000)	\$ 16,000	\$ (337,000)
3.	2016	2015							
(a) Ratio Percentage Used to Determine Recovery Period and Threshold Limitation Amount	1230.506%	1022.037%							
(b) Amount of Adjusted Capital and Surplus Used to Determine Recovery Period and Threshold Limitation in 2(b)2 Above	\$ 153,160,781	\$ 146,509,319							
4.	12/31/2016		12/31/2015		Change				
	(1)	(2)	(3)	(4)	(5)	(6)			
	Ordinary	Capital	Ordinary	Capital	(Col 1-3) Ordinary	(Col 2-4) Capital			
Impact of Tax Planning Strategies									
(a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets, By Tax Character as a Percentage									
1. Adjusted Gross DTAs Amount From Note 9A1(c)	\$ 4,657,000	\$ 182,000	\$ 5,011,000	\$ 165,000	\$ (354,000)	\$ 17,000			
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
3. Net Admitted Adjusted Gross DTAs Amount From Note 9A1(e)	\$ 4,657,000	\$ 182,000	\$ 5,011,000	\$ 165,000	\$ (354,000)	\$ 17,000			
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because of the Impact of Tax Planning Strategies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
(b) Does the Company's tax-planning strategies include the use of reinsurance? Yes _____ No <u> X </u> _____									

B. Deferred Tax Liabilities are not recognized for the following amounts:

NONE

NOTES TO FINANCIAL STATEMENTS

C. Current income taxes incurred consist of the following major components:

	(1) 12/31/2016	(2) 12/31/2015	(3) (Col 1-2) Change
1. Current Income Tax			
(a) Federal	\$ 4,427,000	\$ (1,066,000)	\$ 5,493,000
(b) Foreign	-	-	-
(c) Subtotal	4,427,000	(1,066,000)	5,493,000
(d) Federal income tax on net capital gains	426,000	488,000	(62,000)
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 4,853,000	\$ (578,000)	\$ 5,431,000
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 1,071,000	\$ 1,000,000	\$ 71,000
(2) Unearned premium reserve	845,000	1,711,000	(866,000)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	-	-	-
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	914,000	90,000	824,000
(11) Net operating loss carry-forward	-	-	-
(12) Tax credit carry-forward	-	-	-
(13) Other (including items <5% of total ordinary tax assets)	8,000	-	8,000
(14) Prepaid assets - nonadmitted	1,819,000	2,210,000	(391,000)
(99) Subtotal	4,657,000	5,011,000	(354,000)
(b) Statutory valuation allowance adjustment	-	-	-
(c) Nonadmitted	-	-	-
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	4,657,000	5,011,000	(354,000)
(e) Capital			
(1) Investments	182,000	165,000	17,000
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	182,000	165,000	17,000
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted	-	-	-
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	182,000	165,000	17,000
(i) Admitted deferred tax assets (2d + 2h)	\$ 4,839,000	\$ 5,176,000	\$ (337,000)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ 8,000	\$ 14,000	\$ (6,000)
(2) Fixed assets	-	-	-
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	-	-	-
(99) Subtotal	8,000	14,000	(6,000)
(b) Capital			
(1) Investments	4,350,000	3,508,000	842,000
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	4,350,000	3,508,000	842,000
(c) Deferred tax liabilities (3a99 + 3b99)	\$ 4,358,000	\$ 3,522,000	\$ 836,000
4. Net Deferred Tax Assets/Liabilities (2i -3c)	\$ 481,000	\$ 1,654,000	\$ (1,173,000)

NOTES TO FINANCIAL STATEMENTS

(5) The change in net deferred income taxes is comprised of the following (this analysis is exclusive of nonadmitted assets as the Change in Nonadmitted Assets is reported separately from the Change in Net Deferred Income Taxes in unassigned surplus):

	12/31/2016			12/31/2015			Change		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Ordinary	Capital	(Col 1+2) Total	Ordinary	Capital	(Col 4+5) Total	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
Total deferred tax assets	\$ 4,657,000	\$ 182,000	\$ 4,839,000	\$ 5,011,000	\$ 165,000	\$ 5,176,000	\$ (354,000)	\$ 17,000	\$ (337,000)
Total deferred tax liabilities	(8,000)	(4,350,000)	(4,358,000)	(14,000)	(3,508,000)	(3,522,000)	6,000	(842,000)	(836,000)
Net deferred tax asset (liability)	4,649,000	(4,168,000)	481,000	4,997,000	(3,343,000)	1,654,000	(348,000)	(825,000)	(1,173,000)
Tax effect of unrealized gains									842,000
Change in net deferred income tax									\$ (331,000)

D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate

Among the more significant book to tax adjustments were the following:

	12/31/2016
Provision computed at statutory rate	\$ 3,617,000
Change in nonadmitted assets	(433,000)
Tax exempt interest deduction	0
ACA Health Insurer Fee	2,217,000
Dividends received deduction, net	(222,000)
Nondeductible lobbying expenses	22,000
Other permanent differences	11,000
Credits generated in current year	(31,000)
Adjustment of prior year's tax	3,000
Total	\$ 5,184,000
Federal income taxes incurred	\$ 4,427,000
Realized capital gains (losses) tax	426,000
Change in net deferred income taxes	331,000
Total statutory income taxes	\$ 5,184,000

E. Operating Loss and Tax Credit Carryforwards and Protective Tax Deposits

- (1) At December 31, 2016, the Company did not have any unused operating loss carryforwards or tax credit carryforwards available to offset against future taxable income.
- (2) The following are income taxes in the current and prior years that will be available for recoupment in the event of future net losses:

Year	Total
2016	\$ 4,850,000
2015	0
2014	487,000
TOTAL	\$ 5,337,000

- (3) The Company did not have any protective tax deposits under Section 6603 of the Internal Revenue Code.

F. Consolidated Federal Income Tax Return

- (1) The Company's federal income tax return is consolidated with the following entities:

Wellmark, Inc. (Wellmark) - Parent
Wellmark of South Dakota, Inc.
First Administrators, Inc.
Midwest Benefit Consultants, Inc.
Wellmark Holdings, Inc.
- (2) The method of allocation between the companies is subject to a written agreement, approved by the Board of Directors and the Iowa Insurance Division. Allocation is based upon separate return calculations with current credit for net losses.

At December 31, 2016, the Company's tax related balance due to Wellmark was \$4,853,138.

G. Federal or Foreign Income Tax Loss Contingencies

At December 31, 2016, it is not reasonably possible to determine the Company's amount of tax loss contingencies that will significantly increase or decrease within twelve months of the reporting date.

NOTES TO FINANCIAL STATEMENTS

Note 10 - Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A, B & C. The Company and the parent company, Wellmark, a mutual insurance company domiciled in the State of Iowa (NAIC Company #88848), have a management agreement whereby the Company agrees to pay Wellmark for costs related to services outlined in the agreement. These costs are computed on a monthly basis. For 2016 and 2015 these costs were \$78,585,337 and \$75,411,325, respectively.
- D. At December 31, 2016 and 2015 the Company reported amounts of \$5,130,801 and \$8,782,579 due to Wellmark, respectively. The terms of the agreement require that these amounts are settled within 30 days.
- E. Not applicable.
- F. The Company has a management agreement with Wellmark to provide certain management and administrative services.
- G. All outstanding shares of the Company are owned by Wellmark.
- H. Not applicable.
- I. Not applicable.
- J. Not applicable.
- K. Not applicable.
- L. Not applicable.
- M. Not applicable.
- N. Not applicable.

Note 11 - Debt

Not applicable.

Note 12 - Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Post-retirement Benefit Plans

Not applicable.

Note 13 - Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 100,000,000 shares authorized, 2,400,000 shares issued, and 2,400,000 shares outstanding.
- (2) The Company has no preferred stock outstanding.
- (3) There are no charter limitations of stockholder dividends.
- (4) There were no dividends paid in 2016.
- (5) Not applicable.
- (6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (7) There were no unpaid advances to surplus.
- (8) There was no stock held by the Company, including stock of affiliated companies, for special purposes.
- (9) The balance in special surplus funds for the prior year was due to the reclassification from unassigned surplus to special surplus funds, as required under SSAP 106, for the amount the Company anticipated it would pay for its 2016 health insurance provider fee. Nothing was reclassified from unassigned surplus to special surplus in the current year due to the suspension of the fee for 2017 under the Consolidated Appropriations Act of 2016.
- (10) The portion of unassigned funds (surplus) represented by cumulative unrealized gains is \$12,430,107.
- (11) The Company has not issued any surplus notes.
- (12) Not Applicable.
- (13) Not Applicable.

NOTES TO FINANCIAL STATEMENTS

Note 14 – Liabilities, Contingencies and Assessments

- A. Contingent Commitments
- (1) The Company, as a wholly owned subsidiary of Wellmark, is required by licensure requirements of the Blue Cross and Blue Shield Association to execute parental guarantees pursuant to which the parent guarantees to the full extent of its assets all contractual and financial obligations of the Company to its respective customers. Wellmark is also required by the Iowa Insurance Division to guarantee the obligations of the Company to pay for services up to \$1,100,000.

(2) Not applicable.

(3) Not applicable.
- B. Assessments
- The Company is subject to health related assessments by the Iowa Comprehensive Health Association and the Iowa Individual Health Benefit Reinsurance Association for high risk insurance pools. The Company accrued liabilities of \$1,015,001 for estimated health related assessments at December 31, 2016.
- C. Gain Contingencies – Not applicable.
- D. Claims Related Extra Contractual Obligation and Bad Faith Losses Stemming from Lawsuits – Not applicable.
- E. Joint and Several Liabilities – Not applicable.
- F. All Other Contingencies
- The Company routinely assesses the collectability of accounts receivable for uninsured plans and uncollected premiums based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.

In the ordinary course of business, the Company is involved in and subject to claims, contractual disputes and other uncertainties. The Company plans to defend its actions vigorously. Management believes that any potential resolution of these cases will not have a material impact to the Company's financial position.

While the ultimate outcome of any other claims cannot be presently determined, in the opinion of management, adequate provision has been made for any potential losses which may result from these actions and the Company expects any liability that could result will not materially affect its financial position.

Note 15 - Leases

Not applicable.

Note 16 - Information About Financial Instruments With Off-Balance-Sheet Risk And Financial Instruments With Concentrations of Credit Risk

Not applicable.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 18 - Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

- A. ASO Plans – Not applicable.
- B. ASC Plans

The loss from operations from ASC uninsured plans and the uninsured portion of partially insured plans were as follows during 2016:

	ASC Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASC
a. Gross reimbursement for medical cost incurred	\$ 236,669,785	\$ 639,450,917	\$ 876,120,702
b. Gross administrative fees accrued	9,007,385	29,734,077	38,741,462
c. Other income or expenses (including interest paid to or received from plans)	-	49,927	49,927
d. Gross expenses incurred (claims and administrative)	251,405,679	679,736,584	931,142,263
e. Total net gain or loss from operations	\$ (5,728,509)	\$ (10,501,663)	\$ (16,230,172)

- C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract – Not applicable.

Note 19 - Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable.

Note 20 – Fair Value Measurements

- A.
- (1) Fair Value Measurements at December 31, 2016:

	Level 1	Level 2	Level 3	Total Fair Value
Assets at fair value:				
Bonds				
Industrial and misc.	\$ -	\$ 592,058	\$ -	\$ 592,058
Common stock				
Industrial and misc.	31,042,003	8,743,608	-	39,785,611
Cash equivalents	-	123,240	-	123,240
Short term investments	3,091,454	-	-	3,091,454
Total assets at fair value	\$ 34,133,457	\$ 9,458,906	\$ -	\$ 43,592,363

- (2) Not applicable.
- (3) The Company recognizes transfers between levels at the end of the reporting period. There were no transfers between Level 1 and Level 2 during the year.
- (4) Financial instruments included in Level 2 consist of stocks denominated in foreign currency, money market funds, and bonds which have direct or indirect price inputs that are observable in active markets.

Fair values, as reported herein, of publicly traded bonds are based on market prices as determined through independent pricing services. Fair values of bonds that are not publicly traded are estimated using the present value of estimated future cash flows.

- (5) Not applicable.

- B. Not applicable.
- C. Aggregate Fair Value and Admitted Value at December 31, 2016:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Assets at fair value:						
Bonds	\$ 144,029,212	\$ 142,173,678	\$ -	\$ 144,029,212	\$ -	\$ -
Common stock	\$ 39,785,611	\$ 39,785,611	\$ 31,042,003	\$ 8,743,608	\$ -	\$ -
Cash equivalents	\$ 123,240	\$ 123,240	\$ -	\$ 123,240	\$ -	\$ -
Short term investments	\$ 3,091,454	\$ 3,091,454	\$ 3,091,454	\$ -	\$ -	\$ -

- D. Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 21 - Other Items

- A. Unusual or Infrequent Items – Not applicable.
- B. Troubled Debt Restructuring – Not applicable.
- C. Other Disclosures – Not applicable.
- D. Business Interruption Insurance Recoveries – Not applicable.
- E. State Transferable and Non-transferable Tax Credits – Not applicable.
- F. Subprime-Mortgage-Related Risk Exposure
 - (1) The Company's investment policy approved by the Board of Directors requires the use of high quality fixed income investments to cover its contractual liabilities. The investment policy requires that the Company's fixed income portfolio have a minimum average quality rating of BBB+. These requirements work to limit exposure to subprime securities. Additionally, the Company has a policy for portfolio diversification with a requirement that no single issue except for the U.S. Government and Agencies can exceed 5% of the total fixed income portfolio. While no single definition exists for subprime, these securities are considered higher risk and carry higher than prime rates of interest. In addition to the interest rates, the Company considers the FICO scores below 660, level of documentation, evidence of delinquency, foreclosure, judgments or bankruptcy and other factors that limit the borrower's ability to service the debt when determining if a security should be classified as subprime.
 - (2) Direct exposure through investments in subprime mortgage loans – Not applicable.
 - (3) Direct exposure through other investments – Not applicable.
 - (4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage - Not applicable.
- G. Retained Assets – Not applicable.
- H. Insurance-Linked Securities – Not Applicable.

Note 22 - Events Subsequent

Type I – Recognized Subsequent Events:

Subsequent events have been considered through February 16, 2017 for the statutory statement issued on March 1, 2017.

Type II – Nonrecognized Subsequent Events:

Subsequent events have been considered through February 16, 2017 for the statutory statement issued on March 1, 2017.

In 2016, the Company was subject to an annual fee under section 9010 of the federal Affordable Care Act (ACA). This annual fee was allocated to individual health insurers based on the ratio of the amount of the entity's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that was written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provided health insurance for any U.S. health risk for the calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2015, the Company had written health insurance subject to the ACA assessment, expected to conduct health insurance business in 2016, and estimated their portion of the health insurance industry fee payable on September 30, 2016 to be \$6,500,000. This amount was reflected in special surplus. The actual amount paid in 2016 was \$6,332,963.

The fee has been suspended for 2017 under the Consolidated Appropriations Act of 2016. Therefore, no amount has been reclassified from unassigned surplus to special surplus in the current year; and no premiums written in 2016 are subject to the ACA 9010 assessment.

NOTES TO FINANCIAL STATEMENTS

	Current Year	Prior Year
A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	YES
B. ACA fee assessment payable for the upcoming year	\$ -	\$ 6,500,000
C. ACA fee assessment paid	\$ 6,332,963	\$ 6,476,037
D. Premium written subject to ACA 9010 assessment	\$ -	\$ 358,384,033
E. Total Adjusted Capital before surplus adjustment	\$ 153,641,781	
F. Total Adjusted Capital after surplus adjustment	\$ 153,641,781	
G. Authorized Control Level	\$ 12,446,971	
H. Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action level (YES/NO)?	NO	

Note 23 - Reinsurance

A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes () No (X)
- (2) Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business?

Yes () No (X)

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (X)
- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (X)

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

Not applicable.
- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes () No (X)

- B. Uncollectible Reinsurance – Not applicable.
- C. Commutation of Ceded Reinsurance – Not applicable.
- D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation – Not applicable.

NOTES TO FINANCIAL STATEMENTS

Note 24 - Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A.

The Company estimates accrued retrospective premium adjustments for individuals, small groups and large groups according to retrospective rating features pursuant to the medical loss ratio rebate requirements subject to the Public Health Service Act.
- B.

The Company records accrued retrospective premium as an adjustment to earned premium.
- C.

The amount of net premiums written by the Company at December 31, 2016 that are subject to retrospective rating features was \$315,914,170, which represented nearly 100% of the total net premiums written by the Company. No other net premiums written by the Company are subject to retrospective rating features.
- D.

The Company had no medical loss ratio rebates required pursuant to the Public Health Services Act at December 31, 2016.
- E.

Risk-Sharing Provisions of the Affordable Care Act

(1)

Did the reporting entity write accident and health insurance premium that is subject to the Affordable Care Act risk-sharing provisions (YES/NO)?

YES

(2)

Impact of Risk-Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year:

a.

Permanent ACA Risk Adjustment Program

Assets	Amount
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ -
Liabilities	
2. Risk adjustment user fees payable for ACA Risk Adjustment	\$ 28,510
3. Premium adjustments payable due to ACA Risk Adjustment	\$ 9,100,000
Operations (Revenue & Expense)	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$ (9,361,785)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid)	\$ 30,208

b.

Transitional ACA Reinsurance Program

Assets	
1. Amounts recoverable for claims paid due to ACA Reinsurance	\$ 625,000
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$ 122,000
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$ -
Liabilities	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ -
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$ -
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$ 276
Operations (Revenue & Expense)	
7. Ceded reinsurance premiums due to ACA Reinsurance	\$ 143,975
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$ 830,170
9. ACA Reinsurance contributions - not reported as ceded premium	\$ 1,789,214

c.

Temporary ACA Risk Corridors Program - Not applicable.

NOTES TO FINANCIAL STATEMENTS

(3) Rollforward of prior year ACA risk-sharing provisions for the following asset (gross of any nonadmission) and liability balances, along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1-3+7)	Cumulative Balance from Prior Years (Col 2-4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	\$ 48,339	\$ -	\$ 48,339	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
2. Premium adjustments payable	\$ -	\$ (5,300,000)	\$ -	\$ (5,561,786)	\$ -	\$ 261,786	\$ -	\$ (261,786)	B	\$ -	\$ -
3. Subtotal ACA Permanent Risk Adjustment Program	\$ 48,339	\$ (5,300,000)	\$ 48,339	\$ (5,561,786)	\$ -	\$ 261,786	\$ -	\$ (261,786)		\$ -	\$ -
b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for claims paid	\$ 1,530,000	\$ -	\$ 1,748,647	\$ -	\$ (218,647)	\$ -	\$ 433,170	\$ -	C	\$ 214,523	\$ -
2. Amounts recoverable for claims unpaid (contra liability)	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ (350,000)	D	\$ -	\$ -
3. Amounts receivable relating to uninsured plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
5. Ceded reinsurance premiums payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
6. Liability for amounts held under uninsured plans	\$ -	\$ (1,210)	\$ -	\$ -	\$ -	\$ (1,210)	\$ -	\$ 1,210	H	\$ -	\$ -
7. Subtotal ACA Transitional Reinsurance Program	\$ 1,530,000	\$ 348,790	\$ 1,748,647	\$ -	\$ (218,647)	\$ 348,790	\$ 433,170	\$ (348,790)		\$ 214,523	\$ -
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
2. Reserve rate for credits or policy experience rating refunds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
3. Subtotal ACA Risk Corridors Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
d. Total for ACA Risk Sharing Provisions	\$ 1,578,339	\$ (4,951,210)	\$ 1,796,986	\$ (5,561,786)	\$ (218,647)	\$ 610,576	\$ 433,170	\$ (610,576)		\$ 214,523	\$ -

Explanation of Adjustment
B Revised data received.
C Revised data received.
D Revised data received.
H Revised data received.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year – Not Applicable.

(5) ACA Risk Corridors Receivable as of Reporting Date – Not Applicable.

NOTES TO FINANCIAL STATEMENTS

Note 25 - Change in Incurred Claims and Claim Adjustment Expenses

The Company's reserves for incurred claims and claim adjustment expenses attributable to insured events of prior years have decreased \$5,370,583 from \$34,629,750 in 2015. Because unpaid claims are estimated based on past experience and accumulated statistical data, the Company's actual benefit payments have varied from the original estimates.

Note 26 - Intercompany Pooling Arrangements

Not applicable.

Note 27 - Structured Settlements

Not applicable.

Note 28 - Health Care Receivables

A. Pharmaceutical Rebate Receivables

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2016	\$ 2,290,000				
9/30/2016	\$ 2,190,000	\$ 2,081,000			
6/30/2016	\$ 2,180,000	\$ 2,013,421		\$ 1,733,421	
3/31/2016	\$ 2,100,000	\$ 2,015,039		\$ 1,705,039	
12/31/2015	\$ 2,430,000	\$ 2,719,015		\$ 2,193,676	\$ 525,340
9/30/2015	\$ 2,550,000	\$ 1,820,000		\$ 1,754,516	\$ 597,445
6/30/2015	\$ 890,000	\$ 830,000		\$ 921,196	
3/31/2015	\$ 790,000	\$ 890,000		\$ 741,162	\$ 245,350
12/31/2014	\$ 650,000	\$ 791,796		\$ 786,868	
9/30/2014	\$ 620,000	\$ 652,134		\$ 707,426	
6/30/2014	\$ 680,000	\$ 622,363		\$ 647,189	
3/31/2014	\$ 600,000	\$ 672,583		\$ 644,975	

B. Risk Sharing Receivables – Not applicable.

Note 29 - Participating Policies

Not applicable.

Note 30 - Premium Deficiency Reserves

- (1)

Liability carried for premium deficiency reserves

\$0
- (2)

Date of the most recent evaluation of this liability

January 9, 2017
- (3)

Was anticipated investment income utilized in the calculation?

Yes [X] No []

Note 31 - Anticipated Salvage and Subrogation

Not applicable.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes [X] No []

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes [X] No [] N/A []

1.3

State regulating? Iowa

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [] No [X]

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2011

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity.
This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2011

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

08/25/2013

3.4

By what department or departments?
Iowa Insurance Division

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes [] No [] N/A [X]

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes [X] No [] N/A []

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.11

sales of new business?

Yes [] No [X]

4.12

renewals?

Yes [] No [X]

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

4.21

sales of new business?

Yes [] No [X]

4.22

renewals?

Yes [] No [X]

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [] No [X]

5.2

If yes, provide the name of entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes [] No [X]

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes [] No [X]

7.2

If yes,

7.21

State the percentage of foreign control

%

7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1	2
Nationality	Type of Entity

8.1

Is the company a subsidiary of a bank holding company regulated with the Federal Reserve Board?

Yes [] No [X]

8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [] No [X]

8.4

If the response to 8.3 is yes, please provide below the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Ernst & Young LLP 801 Grand Avenue, Des Moines, IA 50309

10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [] No [X]

10.2

If the response to 10.1 is yes, provide information related to this exemption:

10.3

Has the insurer been granted any exemptions related to other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [] No [X]

10.4

If the response to 10.3 is yes, provide information related to this exemption:

10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [X] No [] N/A []

10.6

If the response to 10.5 is no or n/a, please explain:

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Dan Callahan, Senior Actuary, FSA, MAAA (employee) 1331 Grand Avenue, Des Moines, IA 50309
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [☐] No [☒]

12.11

Name of real estate holding company

12.12

Number of parcels involved

0

12.13

Total book/adjusted carrying value

\$0
- 12.2

If yes, provide explanation
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [☐] No [☐]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [☐] No [☐]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [☐] No [☐] N/A [☐]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [☒] No [☐]

(a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

(c)

Compliance with applicable governmental laws, rules and regulations;

(d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

(e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is no, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [☐] No [☒]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [☐] No [☒]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1

Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes [☐] No [☒]
- 15.2

If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1	2	3	4
American Bankers Association (ABA) Routing Number	Issuing or Confirming Bank Name	Circumstances That Can Trigger the Letter of Credit	Amount

BOARD OF DIRECTORS

16.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinator committee thereof?

Yes [☒] No [☐]
17.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes [☒] No [☐]
18.

Has the reporting entity an established procedure for disclosure to its Board of Directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes [☒] No [☐]

FINANCIAL

19.

Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes [☐] No [☒]
- 20.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11

To directors or other officers

\$0

20.12

To stockholders not officers

\$0

20.13

Trustees, supreme or grand (Fraternal only)

\$0
- 20.2

Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21

To directors or other officers

\$0

20.22

To stockholders not officers

\$0

20.23

Trustees, supreme or grand (Fraternal only)

\$0
- 21.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reporting in the statement?

Yes [☐] No [☒]
- 21.2

If yes, state the amount thereof at December 31 of the current year:

21.21

Rented from others

\$

21.22

Borrowed from others

\$

21.23

Leased from others

\$

21.24

Other

\$
- 22.1

Does this statement include payments for assessments as described in the *Annual Statement Instructions* other than guaranty fund or guaranty association assessments?

Yes [☒] No [☐]
- 22.2

If answer is yes:

22.21

Amount paid as losses or risk adjustment

\$1,436,080

22.22

Amount paid as expenses

\$

22.23

Other amounts paid

\$
- 23.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes [☐] No [☒]
- 23.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$0

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

24.01

Were all of stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date (other than securities lending programs addressed in 24.03)?

Yes ☒ No ☐

24.02

If no, give full and complete information, relating thereto:

24.03

For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet (an alternative is to reference Note 17 where this information is also provided).

24.04

Does the company's security lending program meet the requirements for a conforming program as outlined in the *Risk-Based Capital Instructions*?

Yes ☐ No ☐ N/A ☒

24.05

If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$

24.06

If answer to 24.04 is no, report amount of collateral for other programs

\$

24.07

Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes ☐ No ☐ N/A ☒

24.08

Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes ☐ No ☐ N/A ☒

24.09

Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes ☐ No ☐ N/A ☒

24.10

For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101

Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.102

Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2:

\$0

24.103

Total payable for securities lending reported on the liability page:

\$0

25.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity or has the reporting entity sold or transferred any assets subject to a put option contract that is current in force? (Exclude securities subject to Interrogatory 21.1 and 24.03.)

Yes ☐ No ☒

25.2

If yes, state the amount thereof at December 31 of the current year:

25.21

Subject to repurchase agreements

\$0

25.22

Subject to reverse repurchase agreements

\$0

25.23

Subject to dollar repurchase agreements

\$0

25.24

Subject to reverse dollar repurchase agreements

\$0

25.25

Placed under option agreements

\$0

25.26

Letter stock or securities restricted as sale – excluding FHLB Capital Stock

\$0

25.27

FHLB Capital Stock

\$0

25.28

On deposit with states

\$0

25.29

On deposit with other regulatory bodies

\$0

25.30

Pledged as collateral – excluding collateral pledged to an FHLB

\$0

25.31

Pledged as collateral to FHLB – including assets backing funding agreements

\$0

25.32

Other

\$0

25.3

For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount
		\$

26.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ☐ No ☒

26.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes ☐ No ☐ N/A ☒

27.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ☐ No ☒

27.2

If yes, state the amount thereof at December 31 of the current year:

\$

28.

Excluding items in Schedule E-Part 3-Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC *Financial Condition Examiners Handbook*?

Yes ☒ No ☐

28.01

For all agreements that comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
The Bank of New York Mellon	One Mellon Bank Center, Pittsburgh, PA 15258

28.02

For all agreements that do not comply with the requirements of the NAIC *Financial Condition Examiners Handbook*, provide the name, location and a complete explanation

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03

Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes ☐ No ☒

28.04

If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05

Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts", "... handle securities"].

1 Name of Firm or Individual	2 Affiliation
Mesirow Financial Investment Management, Inc.	U
NISA Investment Advisors LLC	U

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

Fisher Investments, Inc.	U
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28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes [X] No []

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes [X] No []

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1	2	3	4	5
Central Registration Depository Number	Name of Firm or Individual	Legal Entity Identifier (LEI)	Registered With	Investment Management Agreement (IMA) Filed
111135	Mesirow Financial Investment Management, Inc.	IWFK35GSRKL2OLE5C129	SEC	NO
107313	NISA Investment Advisors LLC		SEC	NO
107342	Fisher Investments, Inc.		SEC	NO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D-Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])?

Yes [] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 TOTAL		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1	2	3
		Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	145,265,132	147,120,666	1,855,534
30.2	Preferred Stocks	0	0	0
30.3	Totals	145,265,132	147,120,666	1,855,534

30.4 Describe the sources or methods utilized in determining the fair values:

HubData and Bank of New York Mellon

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes [X] No []

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes [X] No []

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the *Purposes and Procedures Manual of the NAIC Investment Analysis Office* been followed?

Yes [X] No []

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$ 739,418

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Blue Cross Blue Shield Association	\$ 379,576

34.1 Amount of payments for legal expenses, if any?

\$ 280,561

34.2 List the name of the firm and the amount paid if any such payment represented25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Nyemaster Law Firm	\$ 199,670

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
	\$

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [☐]

No [☒ X]

1.2

If yes, indicate premium earned on U.S. business only.

\$

0

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

0

1.31

Reason for excluding:

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$

0

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

\$

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

\$

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

\$

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

\$

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$

315,939,714

\$

361,882,538

2.2

Premium Denominator

\$

315,939,714

\$

361,882,538

2.3

Premium Ratio (2.1/2.2)

\$

100.000

\$

100.000

2.4

Reserve Numerator

\$

43,019,075

\$

45,942,515

2.5

Reserve Denominator

\$

43,019,075

\$

45,942,515

2.6

Reserve Ratio (2.4/2.5)

\$

100.000

\$

100.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [☐]

No [☐ X]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [☒ X]

No [☐]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [☒ X]

No [☐]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [☐]

No [☒ X]

5.2

If no, explain:

The Company participated in the ACA Transitional Reinsurance program in 2016.

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

9,999,999

5.32

Medical Only

\$

0

5.33

Medicare Supplement

\$

0

5.34

Dental and Vision

\$

0

5.35

Other Limited Benefit Plan

\$

0

5.36

Other

\$

0

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Reserves exceed all regulatory requirements and provider contracts have hold harmless provisions.

GENERAL INTERROGATORIES

PART 2 – HEALTH INTERROGATORIES

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [X] No []

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

9,054

8.2

Number of providers at end of reporting year

10,227

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [] No [X]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees with rate guarantees between 15-36 months

\$ 0

9.22

Business with rate guarantees over 36 months

\$ 0

10.1

Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes [X] No []

10.2

If yes:

10.21

Maximum amount payable bonuses

\$ 5,065,720

10.22

Amount actually paid for year bonuses

\$ 3,615,329

10.23

Maximum amount payable withholds

\$ 0

10.24

Amount actually paid for year withholds

\$ 0

11.1

Is the reporting entity organized as:

11.12

A Medical Group/Staff Model,

Yes [] No [X]

11.13

An Individual Practice Association (IPA), or,

Yes [] No [X]

11.14

A Mixed Model (combination of above)?

Yes [] No [X]

11.2

Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes [X] No []

11.3

If yes, show the name of the state requiring such minimum capital and surplus.
Iowa

11.4

If yes, show the amount required.

\$ 5,000,000

11.5

Is this amount included as part of a contingency reserve in stockholder’s equity?

Yes [] No [X]

11.6

If the amount is calculated, show the calculation

12.

List service areas in which reporting entity is licensed to operate:

1
Name of Service Area
Iowa

13.1

Do you act as a custodian for health savings accounts?

Yes [] No [X]

13.2

If yes, please provide the amount of custodial funds held as of the reporting date.

\$ 0

13.3

Do you act as an administrator for health savings accounts?

Yes [] No [X]

13.4

If yes, please provide the balance of the funds administered as of the reporting date.

\$ 0

14.1

Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers?

Yes [] No [] N/A [X]

14.2

If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	5 Letters of Credit	6 Trust Agreements	7 Other
	0		\$	\$	\$	\$

15.

Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded).

15.1

Direct Premium Written

\$ 0

15.2

Total Incurred Claims

\$ 0

15.3

Number of Covered Lives

0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary guarantee)
Universal Life (with or without secondary guarantee)
Variable Universal Life (with or without secondary guarantee)

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
Balance Sheet Items (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28).....	232,749,607	227,610,124	217,970,395	207,901,855	224,537,079
2. Total liabilities (Page 3, Line 24).....	79,107,826	79,446,805	58,652,443	60,285,515	66,755,638
3. Statutory minimum capital and surplus requirement.....	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
4. Total capital and surplus (Page 3, Line 33).....	153,641,781	148,163,319	159,317,952	147,616,340	157,781,441
Income Statement Items (Page 4)					
5. Total revenues (Line 8).....	315,971,154	358,657,462	342,354,165	338,005,070	335,700,456
6. Total medical and hospital expenses (Line 18).....	249,518,601	313,162,653	277,206,478	280,851,696	271,892,533
7. Claims adjustment expenses (Line 20).....	11,433,141	12,313,918	8,836,586	7,056,471	6,841,592
8. Total administrative expenses (Line 21).....	53,882,379	47,317,746	44,663,796	29,488,753	19,684,676
9. Net underwriting gain (loss) (Line 24).....	3,737,033	(16,736,855)	11,647,305	20,608,150	37,281,655
10. Net investment gain (loss) (Line 27).....	6,156,081	6,499,070	6,758,419	13,968,980	11,284,757
11. Total other income (Lines 28 plus 29).....	15,931	(213,524)	(267,956)	(109,132)	(163,645)
12. Net income or (loss) (Line 32).....	5,482,045	(9,385,309)	10,670,768	25,540,998	34,380,767
Cash Flow (Page 6)					
13. Net cash from operations (Line 11).....	7,488,017	(15,363,485)	4,152,799	1,734,482	36,080,476
Risk-Based Capital Analysis					
14. Total adjusted capital.....	153,641,781	148,163,319	159,317,952	147,616,340	157,781,441
15. Authorized control level risk-based capital.....	12,446,971	14,335,029	13,118,827	12,745,920	12,651,731
Enrollment (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7).....	74,434	96,186	90,383	92,988	95,094
17. Total member months (Column 6, Line 7).....	867,876	1,141,648	1,093,225	1,114,087	1,111,309
Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3, and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5).....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Line 18 plus Line 19).....	79.0	87.3	81.0	83.1	81.0
20. Cost containment expenses.....	1.2	1.7	2.0	1.6	1.6
21. Other claims adjustment expenses.....	2.4	1.8	0.5	0.5	0.5
22. Total underwriting deductions (Line 23).....	98.8	104.7	96.6	93.9	88.9
23. Total underwriting gain (loss) (Line 24).....	1.2	(4.7)	3.4	6.1	11.1
Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13 Col. 5).....	32,713,269	27,801,835	26,004,195	26,355,433	25,478,765
25. Estimated liability of unpaid claims - [prior year (Line 13, Col. 6)].....	33,196,213	30,133,975	30,680,519	33,212,934	30,359,699
Investments in Parent, Subsidiaries and Affiliates					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1).....					
27. Affiliated preferred stocks (Sch D. Summary, Line 18, Col. 1).....					
28. Affiliated common stocks (Sch D. Summary, Line 24, Col. 1).....					
29. Affiliated short-term investments (subtotal included in Sch. DA, Verification, Column 5, Line 10).....					
30. Affiliated mortgage loans on real estate.....					
31. All other affiliated.....					
32. Total of above Lines 26 to 31.....	0	0	0	0	0
33. Total investment in parent included in Lines 26 to 31 above.....					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors?

Yes[] No[]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama.....AL	N							.....0	
2.	Alaska.....AK	N							.....0	
3.	Arizona.....AZ	N							.....0	
4.	Arkansas.....AR	N							.....0	
5.	California.....CA	N							.....0	
6.	Colorado.....CO	N							.....0	
7.	Connecticut.....CT	N							.....0	
8.	Delaware.....DE	N							.....0	
9.	District of Columbia.....DC	N							.....0	
10.	Florida.....FL	N							.....0	
11.	Georgia.....GA	N							.....0	
12.	Hawaii.....HI	N							.....0	
13.	Idaho.....ID	N							.....0	
14.	Illinois.....IL	N							.....0	
15.	Indiana.....IN	N							.....0	
16.	Iowa.....IA	L	...316,083,689						...316,083,689	
17.	Kansas.....KS	N							.....0	
18.	Kentucky.....KY	N							.....0	
19.	Louisiana.....LA	N							.....0	
20.	Maine.....ME	N							.....0	
21.	Maryland.....MD	N							.....0	
22.	Massachusetts.....MA	N							.....0	
23.	Michigan.....MI	N							.....0	
24.	Minnesota.....MN	N							.....0	
25.	Mississippi.....MS	N							.....0	
26.	Missouri.....MO	N							.....0	
27.	Montana.....MT	N							.....0	
28.	Nebraska.....NE	N							.....0	
29.	Nevada.....NV	N							.....0	
30.	New Hampshire.....NH	N							.....0	
31.	New Jersey.....NJ	N							.....0	
32.	New Mexico.....NM	N							.....0	
33.	New York.....NY	N							.....0	
34.	North Carolina.....NC	N							.....0	
35.	North Dakota.....ND	N							.....0	
36.	Ohio.....OH	N							.....0	
37.	Oklahoma.....OK	N							.....0	
38.	Oregon.....OR	N							.....0	
39.	Pennsylvania.....PA	N							.....0	
40.	Rhode Island.....RI	N							.....0	
41.	South Carolina.....SC	N							.....0	
42.	South Dakota.....SD	N							.....0	
43.	Tennessee.....TN	N							.....0	
44.	Texas.....TX	N							.....0	
45.	Utah.....UT	N							.....0	
46.	Vermont.....VT	N							.....0	
47.	Virginia.....VA	N							.....0	
48.	Washington.....WA	N							.....0	
49.	West Virginia.....WV	N							.....0	
50.	Wisconsin.....WI	N							.....0	
51.	Wyoming.....WY	N							.....0	
52.	American Samoa.....AS	N							.....0	
53.	Guam.....GU	N							.....0	
54.	Puerto Rico.....PR	N							.....0	
55.	U.S. Virgin Islands.....VI	N							.....0	
56.	Northern Mariana Islands.....MP	N							.....0	
57.	Canada.....CAN	N							.....0	
58.	Aggregate Other alien.....OT	XXX	.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
59.	Subtotal.....	XXX	...316,083,689	.....0	.....0	.....0	.....0	.....0	...316,083,689	.....0
60.	Reporting entity contributions for Employee Benefit Plans.....	XXX							.....0	
61.	Total (Direct Business).....	(a).....1	...316,083,689	.....0	.....0	.....0	.....0	.....0	...316,083,689	.....0

DETAILS OF WRITE-INS

58001.....								.....0	.....
58002.....								.....0	.....
58003.....								.....0	.....
58998. Summary of remaining write-ins for line 58.....		.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0
58999. Total (Lines 58001 through 58003 + 58998).....		.....0	.....0	.....0	.....0	.....0	.....0	.....0	.....0

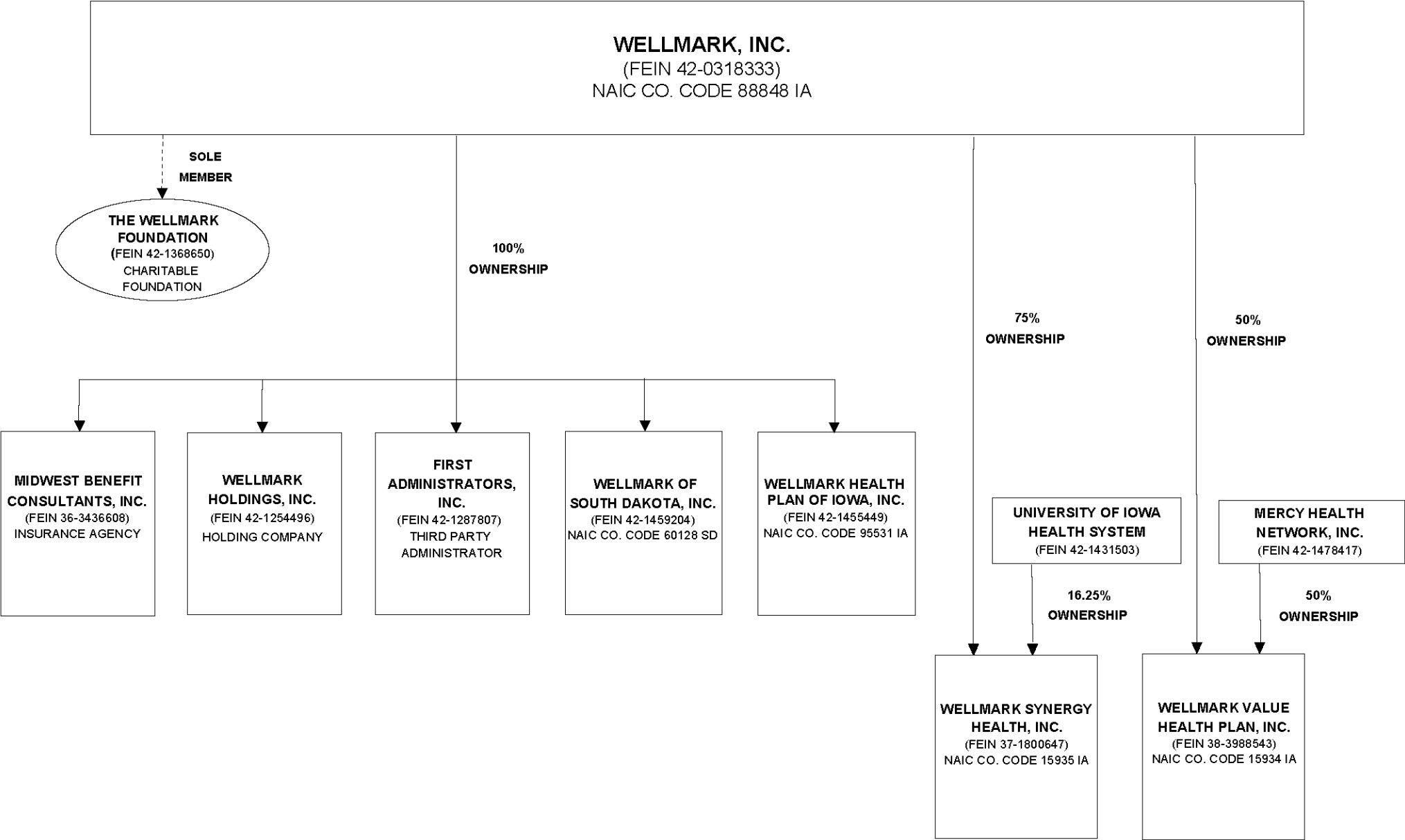
(L) - Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) - Registered - Non-domiciled RRGs; (Q) - Qualified - Qualified or Accredited Reinsurer; (E) - Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) - None of the above - Not allowed to write business in the state.

Explanation of basis of allocation by states, premiums by state, etc.

Accident and Health Premiums are allocated according to the location of the group or individual purchaser at the point of issue.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y – INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 – ORGANIZATIONAL CHART



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